(b) if so, the details thereof and reasons therefor;

(c) whether Government are aware that prolonged uncertainty and dithering in the matter is likely to adversely affect developmental programmes of the two airlines; and

(d) if so, whether Government would take a final and firm decision in the matter expeditiously?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Proposed disinvestment of the two airlines is the subject of Inter-Ministerial review at the present time. Withdrawal by bidders and depressed conditions of the aviation sector after 9/11 terrorist attacks have necessitated the review of the Government's decisions regarding disinvestment of the two airlines.

(c) and (d) These factors will be among the considerations that will be borne in mind while taking a final decision.

Disinvestment of BPCL and HPCL

242. SHRI AIMADUDDIN AHMED KHAN (DURRU):
SHRI K. RAMA MOHANA RAO:
SHRI RAJKUMAR DHOOT:
SHRI GHULAM NABIAZAD:

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Cabinet Committee on Disinvestment has cleared the proposal of disinvesting BPCL and HPCL;

(b) if so, the reasons for disinvesting these profit making companies;

(c) the impact of the decision on other oil companies where BPCL and HPCL are holding equity shares;

(d) whether Government are not allowing the other PSUs, like ONGC to bid for the above oil companies;

(e) if so, the reasons therefor;

(f) whether there have been suggestions from any quarter that PSUs should be allowed to bid for these oil companies; and

(g) if so, the details thereof?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) The disinvestment policy envisages disinvestment of all PSUs in the non-strategic sector irrespective of Whether such PSUs are making profit or incurring loss. Both HPCL and BPCL are operating in the non-strategic sector. The decision to disinvest HPCL and BPCL is in line with the aforesaid disinvestment policy. Further, the disinvestment of HPCL and BPCL would bring in the much-needed competition in the retail of petroleum products.

(c) After disinvestment of HPCL and BPCL, their shareholding in other oil companies would be governed by the relevant provisions of the Companies Act, 1956.

(d) and (e) In order to realise objectives of disinvestment like better corporate governance, fostering competition, putting national assets to optimal use, maximizing the productive potential inherent in the public sector, etc., Government decided in September 2002 that henceforth, as a general policy, Central Public Sector Undertakings and Central Government owned Cooperative Societies (i.e. where Government ownership is 51% or more) should not be permitted to participate in the disinvestment of other PSUs as bidders. In terms of the above decision, ONGC and for that matter any other Public Sector Undertaking would not be allowed to bid for HPCL.

(f) and (g) Suggestions to permit ONGC and certain PSUs in the Co-operative sector to bid for HPCL were received from a Member of Parliament.

Extension of disinvestment process

243. SHRI SURENDRA LATH**:** Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have a proposal to extend disinvestment process to more areas;

(b) if so, the PSUs proposed to be disinvested during 2003-04; and

(c) the target set therefor?